Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Belgium

2014/2065(BUD) - 21/10/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 593 votes to 84, with 10 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, to the amount of **EUR 570 945** in commitment and payment appropriations in order to assist Belgium following redundancies in the automotive industry.

Parliament recalled that the Union set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

Application from Belgium: Belgium submitted application EGF/2013/012 BE/Ford Genk for a financial contribution from the EGF, following 512 redundancies, with 479 persons expected to participate in the measures, in the assembly plant of Ford-Werke GmbH1 located in Genk (‘Ford Genk’) and in 10 suppliers of Ford Genk in Belgium during the reference period from 1 July 2013 to 1 November 2013. Parliament asked the institutions to speed up mobilisation of the Fund for the amount requested.

Admissibility of the application: Parliament noted that the conditions set out in Article 2(a) of the EGF Regulation are partially met as regards the minimum number of redundancies during the reference period as there are **less than 500 redundancies**. It considered that an application for a contribution from the EGF may be considered admissible when redundancies have a **serious impact** on employment and the local economy. It also took into account two other waves of redundancies, that are expected to occur in 2014 (approximately 4340 redundancies at Ford Genk and 2820 redundancies at its suppliers located in the same geographical area) and recalled that implementation of specific measures in favour of first group of redundant workers as rapidly as possible increases the possibilities for them to find new employment. In this respect, Parliament agreed with the Commission that **Belgium is entitled to a financial contribution under the EGF Regulation**.

Parliament also noted that the Belgian authorities submitted the application for EGF financial contribution on 23 December 2013 and that its assessment was made available by the Commission on 22 August 2014. It welcomed the prompt assessment within less than 8 months.

Parliament noted that the automotive industry has been the subject of 17 decisions on the mobilisation of the EGF since the start of the Fund in 2007 and called for an **assessment of the effects of the EGF interventions specifically linked the redundancies in the automotive sector** on the basis of these applications.

It welcomed the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 July 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Intervention of the social partners: Parliament welcomed the fact that in order to address the issue, the Flemish Government established a specific taskforce bringing together all relevant stakeholders, with the Commission's services associated in its work. It also welcomed the fact that the social partners represented in the Socioeconomic Council of the Limburg Region (SERR Limburg) were not only consulted, but also

participated in a Monitoring Committee specifically set up for the EGF application. This EGF application has been discussed with the social partners as part of the regular reporting on the implementation of the Limburg Strategic Action Plan which was set up to address the regional impact of the closure of Ford Genk.

Coordinated package of personalised services: Parliament stated that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of 479 redundant workers into employment (grouped by category): (1) job-search assistance (key account manager, social intervention advisor, information on vocational education and training options, active job-oriented guidance), and (2) training and re-training (vocational training course, employment trough individual vocational training, application training). It recalled the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career and expected the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the **actual business environment**.

In parallel, Parliament noted that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds. It stressed that Belgian authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. At the same time, Parliament reiterated its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union funded services can occur.

New EGF: Parliament appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants, aimed at presenting to the European Parliament and the Council the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF. It underlined that further improvements in the procedure have been integrated in Regulation (EU) No 1309/2013 and that greater efficiency, transparency and visibility of the EGF will be achieved.

It stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment.

Lastly, Parliament welcomed the adoption of EGF Regulation which reflects the agreement reached between the European Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the European Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.